

# INTERNATIONAL ALERT

STANDING INTERNATIONAL FORUM  
ON ETHNIC CONFLICT, GENOCIDE  
AND HUMAN RIGHTS  
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS  
31 DECEMBER 1999



Company Registration Number: 2153193  
Registered Charity Number: 327553

## **INTERNATIONAL ALERT**

**Standing International Forum on Ethnic Conflict, Genocide and Human Rights**

### **ADMINISTRATIVE DETAILS AS AT 31 DECEMBER 1999**

Board Of Trustees:	Lord Judd of Portsea, Chairman (UK) Amir Bhatia OBE, Honorary Treasurer (UK) Marianne Heiberg (Norway) Lord Joffe CBE (UK) Ahmedou Ould-Abdallah (Mauritania) Lieutenant General Arnold Quainoo (Ghana) Major General Sir David Thorne KBE CVO (UK) Peter Nobel (Sweden) John Tirman (USA) Josephine Verspaget (The Netherlands) Leah Levin (UK) (Reappointed December 1999)
Principal Officers:	Kevin Clements - Secretary General Martin Honeywell - Deputy Secretary General and Company Secretary
Auditors:	Sayer Vincent Chartered Accountants Registered Auditors 23 Angel Gate City Road London EC1V 2SJ
Bankers:	National Westminster Bank Plc PO Box 35 10 Southwark Street London SE1 1TT
Solicitors:	Bates Wells & Braithwaite 61 Charterhouse Street London EC1M 6HA
Status:	Company limited by guarantee without share capital incorporated on 6 August 1987. Registered as a charity on 24 September 1987.
Registered Office:	1 Glyn Street London SE11 5HT

# **INTERNATIONAL ALERT**

**Standing International Forum on Ethnic Conflict, Genocide and Human Rights**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 1999**

### **Objectives**

International Alert exists to relieve poverty, suffering and distress. It works to educate the public by promoting research into the causes and effects of conflict, the maintenance of human rights and development of economic well being, and to promote conciliation and resolution of such conflict.

### **Activities**

The organisation devises non-governmental bridge-building initiatives to unite peoples divided by internal conflict. It seeks to transform violent conflict into constructive dialogue and negotiations which will restore peace and social justice. Working with all parties, including government and opposition groups, International Alert analyses the root causes of internal conflict, enables mediation and dialogue to take place, sets standards of conduct to avoid violence, and helps develop the skills necessary to resolve conflict non-violently.

International Alert informs governments, inter-government and international agencies, non-government organisations and the public about the need to work together to prevent or resolve violent conflicts. It also aims to focus international opinion in order to help resolve conflict in the earliest stages, and takes all practical steps possible to persuade the parties in conflict to seek alternative problem-solving methods to deal with their differences.

International Alert relies on grants and donations to sustain its work. Donors include intergovernmental organisations, governments, development and human rights NGOs, religious bodies, trusts, foundations and individuals.

In 1999 International Alert was active within parts of Africa, Eurasia and South East Asia. International Alert was also involved in thematic programmes which address issues of early warning, preventive diplomacy, conflict resolution training, self-determination and minority rights, networking and citizen-based peacemaking throughout the world.

A review of activities for the year and future developments is contained in the Annual Report.

### **Results For The Year**

Total incoming resources during the year ended 31 December 1999 were £2,259,000 (1998: £2,490,000), an decrease of 9% compared with 1998. Total resources expended were £2,462,000 (1998: £2,517,000), a fall of 2%. Unrestricted reserves at 31 December 1999 totalled £191,000 (1998: £178,000). This is lower than the targeted level, based on our policy on reserves, which is described in note 1 to the accounts (see page 8). Further increases to unrestricted reserves will be made until the targeted level is reached.

### **Trustees**

A list of Trustees is given in this report. The Board of Trustees met three times in 1999. In addition there were four meetings of the Management Advisory Committee of the Board which is made up of Trustees based in the United Kingdom plus Ms Marianne Heiberg and chaired by Lord Judd.

The charitable company is limited by guarantee and has no share capital. In the event of winding up each member is liable to contribute a sum not exceeding £5 whilst a member or within 12 months of ceasing membership.

### **Employees**

The Trustees would like to record their appreciation of the commitment to International Alert's objectives of all staff and also the many volunteers and interns who willingly give their time to the immense benefit of the charity.

## **INTERNATIONAL ALERT**

**Standing International Forum on Ethnic Conflict, Genocide and Human Rights**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 1999 (Continued)**

#### **Contracts**

There were no contracts of significance in which a Trustee had a material interest in either during or at the end of the financial year.

#### **Statement Of Trustees' Responsibilities**

Company law requires the Trustees, who are Directors under Company Law, to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources including income and expenditure for that period. In preparing those financial statements the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue its operations.

The Trustees are responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditors**

Sayer Vincent have expressed their willingness to continue as auditors.

By Order Of The Board

  
Martin Honeywell  
Company Secretary

12 May 2000

## **REPORT OF THE AUDITORS**

### **TO THE MEMBERS OF**

### **INTERNATIONAL ALERT**

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

We have audited the financial statements on pages 6 to 14 in accordance with the accounting policies on pages 8 and 9.

#### **Respective Responsibilities Of The Trustees And Auditors**

As described on page 4 the charitable company's Trustees, who are Directors under Company Law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

#### **Basis Of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 December 1999 and of the incoming resources and application of resources including income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Sayer Vincent  
Chartered Accountants  
Registered Auditors  
23 Angel Gate  
City Road  
London EC1V 2SJ



# INTERNATIONAL ALERT

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 1999

		Unrestricted	Restricted	1999 Total	1998 Total As restated
	<u>Notes</u>	£'000	£'000	£'000	£'000
<b>Income And Expenditure</b>					
<b>Incoming Resources</b>					
Grants Receivable		798	1,412	2,210	2,383
Other Income Receivable		22	11	33	88
Interest Receivable		16	-	16	19
<b>Total Incoming Resources</b>		<u>836</u>	<u>1,423</u>	<u>2,259</u>	<u>2,490</u>
<b>Resources Expended</b>					
<i>Direct Charitable Expenditure</i>					
Programme Operation Costs		-	1,534	1,534	1,474
Programme Support Costs		595	145	740	837
		<u>595</u>	<u>1,679</u>	<u>2,274</u>	<u>2,311</u>
<i>Other Expenditure</i>					
Fundraising And Publicity		123	-	123	127
Management And Administration		65	-	65	72
Net Expenditure Of Subsidiary	2	-	-	-	7
		<u>188</u>	<u>-</u>	<u>188</u>	<u>206</u>
<b>Total Resources Expended</b>	3	<u>783</u>	<u>1,679</u>	<u>2,462</u>	<u>2,517</u>
<b>Net Incoming/(Outgoing) Resources For The Year</b>					
	4	53	(256)	(203)	(27)
Transfer re: FEWER	13	-	38	38	-
Transfers Between Funds	13	<u>(40)</u>	<u>40</u>	<u>-</u>	<u>-</u>
<b>Net Movement On Funds After Transfers</b>		<u>13</u>	<u>(178)</u>	<u>(165)</u>	<u>(27)</u>
Funds At 1 January 1999		178	360	538	565
<b>Funds At 31 December 1999</b>		<u>191</u>	<u>182</u>	<u>373</u>	<u>538</u>

All of the company's activities and programmes are classed as continuing. The subsidiary undertaking's activities were dissolved during the last financial year (see note 2).

The company had no recognised gains or losses other than the net incoming/outgoing resources for the year.

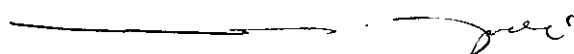
The movement on funds is shown above and in note 13.

**INTERNATIONAL ALERT (A COMPANY LIMITED BY GUARANTEE)**  
 Standing International Forum on Ethnic Conflict, Genocide and Human Rights

**BALANCE SHEET AS AT 31 DECEMBER 1999**

	<u>Notes</u>	1999 £'000	1998 £'000
<b>Fixed Assets</b>	7	<u>2</u>	<u>33</u>
<b>Current Assets</b>			
Debtors & Prepayments	8	88	51
Cash At Bank And In Hand		<u>379</u>	<u>647</u>
		467	698
<b>Creditors</b>			
Amounts Falling Due Within One Year	9	<u>96</u>	<u>183</u>
<b>Net Current Assets</b>		<u>371</u>	<u>515</u>
<b>Total Assets Less Current Liabilities</b>		<u>373</u>	<u>548</u>
Maintenance Provision	10	-	10
<b>Total Net Assets</b>		<u>373</u>	<u>538</u>
<b>Funds</b>	12, 13		
Unrestricted		191	178
Restricted		182	360
<b>Total Funds</b>		<u>373</u>	<u>538</u>

These financial statements were approved by the Board of Trustees on 12 May 2000.  
 Signed on behalf of the Board of Trustees by:



Lord Judd of Portsea - Chairman



Amir Bhatia - Honorary Treasurer

The notes on pages 8 to 14 form part of the financial statements.

# INTERNATIONAL ALERT

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

### 1 Accounting Policies

- a) The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The recommendations of the Statement of Recommended Practice: Accounting by Charities issued in October 1995 have been followed.
- b) Grants by donors for a particular period of time are allocated to the period to which they apply. Grants for expenditure in a future accounting period received in advance are carried forward as deferred income. All other income is accounted for when receivable.
- c) Restricted funds are grants received for specific purposes as laid down by the donor. Expenditure that meets these criteria is identified to these funds together with a fair allocation of support costs. Funds unspent at the year end which will be spent in future accounting periods are carried forward as restricted funds.
- d) Unrestricted funds are grants and other income received or generated for charitable purposes.
- e) Unrestricted funds are held by the charitable company to fund fixed assets and working capital and to provide an ability to respond rapidly to opportunities arising in a very dynamic environment. Unrestricted reserves at the year end are being built up in accordance with the policy approved by Trustees in July 1995 to cover the net book value of fixed assets and three to six months expected expenditure from unrestricted funds in the following year.
- f) Staff and support costs are allocated to activities to reflect the amount of staff time and direct costs on those activities.
- g) Grants payable for projects with local partners are accounted for when paid.
- h) Depreciation is provided in order to write off the cost of the assets over their estimated useful lives on a straight line basis at the following rates:-

Office equipment and Computers	25%
Fixtures and fittings	20%
Property Improvements	20%

Assets over a capitalisation limit of £1,000 are treated as fixed assets. Those under £1,000 are written off to expenditure.

- i) Management and administration costs of the charitable company are those costs related to statutory compliance, including a proportion of the costs of administrative staff, Board meetings and audit.
- j) Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. Assets and liabilities at the year end are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences are accounted for in the Statement of Financial Activities.
- k) No provision has been made for taxation since all of the company's income is charitable and it obtained charitable status following incorporation.



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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

- l) The charitable company as an employer contributes to personal pension plans of its employees. The contributions are set at 10% of basic salary and are available to all employees whose contracts are for more than six months and who have successfully completed the first six months of their employment.
- m) Rentals payable under operating leases where substantially all the risks and rewards of ownership remain with the lessor are charged to the Statement of Financial Activities in the period in which they fall.

## 2 Results Of Subsidiary Organisation

Until 31 May 1998, the charitable company had a subsidiary undertaking registered in The Netherlands (Stitching Standing International Forum on Ethnic Conflict, Development and Human Rights - International Alert).

The aims of the subsidiary undertaking, which has now been dissolved, were closely in line with those of the charitable company. A summary of the results for the subsidiary undertaking is shown below.

	1999 £'000	1998 £'000
Income	-	-
Expenditure	-	(7)
Net Expenditure	-	(7)

## 3 Total Resources Expended

	Programme Costs £'000	Fundraising & Publicity £'000	Management & Admin £'000	1999 Total £'000	1998 Total £'000 Restated
Employment costs (Note 5)	984	104	20	1,108	1,075
Consultants	172	2	-	174	200
Travel & Subsistence	421	10	-	431	474
Grants to local partners (Note 6)	98	-	-	98	74
Conference & training	157	-	-	157	144
Print, translation etc	31	-	-	31	63
Telephone, fax & post	81	1	-	82	85
Professional fees	-	-	45	45	52
Bank charges	6	-	-	6	7
Office costs	221	2	-	223	222
Depreciation	31	-	-	31	60
Staff training & welfare	39	3	-	42	39
Recruitment	20	1	-	21	29
Loss on foreign exchange	12	-	-	12	-
Martin Ennals Repayment	19	-	-	19	-
Accruals no longer required	(18)	-	-	(18)	(14)
Net expenditure of subsidiary	-	-	-	-	7
	<u>2,274</u>	<u>123</u>	<u>65</u>	<u>2,462</u>	<u>2,517</u>

The 1998 comparatives have been altered due to the reallocation of accruals no longer required, previously accounted for as income.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

#### 4 Net Incoming/(Outgoing) Resources

The figures for net incoming/(outgoing) resources for the year are arrived at after charging the following expenses:

	1999 £'000	1998 £'000
Auditors Remuneration:		
-audit fees	9	10
-fees for other services	7	5
Operating lease charges	5	5
Depreciation	31	60

#### 5 Staff Costs And Numbers

	1999 £'000	1998 £'000
Staff costs during the year were as follows:		
Salaries, wages and allowances	961	883
Social security costs	89	82
Redundancy & Restructuring Costs	-	47
Pension costs	58	63
Total staff costs	<u>1,108</u>	<u>1,075</u>
Total staff emoluments (i.e. total staff costs less social security)	<u>1,019</u>	<u>993</u>

The average weekly number of employees during the year was as follows:

	No.	No.
Programmes Operations	22	20
Programmes Support	10	8
Fundraising & publicity	4	3
Management and administration	1	1
	<u>37</u>	<u>32</u>

The number of employees receiving emoluments in the following ranges were:

- between £40,000 and £49,999	1	1
- between £50,000 and £59,999		1
- between £60,000 and £69,999	1	
- between £80,000 and £89,999	1	1

The emoluments for the employee in the highest range include allowances to put that employee on an equal financial footing to his colleagues who are normally resident in the United Kingdom.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

#### 6 Grants to Local Partners

	1999 £'000	1998 £'000
CAP (Burundi)	22	32
Ministry of Human Rights (Burundi)	27	-
Ministry of Justice (Burundi)	8	-
CAFOB (Burundi)	23	6
Pro-Femmes (Rwanda)	17	25
Inter-Faith Council (Liberia)	1	1
	<u>98</u>	<u>74</u>

#### 7 Tangible Fixed Assets

	Improvements £'000	Office Equipment £'000	Fixtures & Fittings £'000	Total £'000
Cost				
At 1 January 1999	39	272	66	377
Disposals	-	(170)	-	(170)
At 31 December 1999	<u>39</u>	<u>102</u>	<u>66</u>	<u>207</u>
Accumulated depreciation				
At 1 January 1999	29	254	61	344
Charge for the year	8	18	5	31
Released on Disposals	-	(170)	-	(170)
At 31 December 1999	<u>37</u>	<u>102</u>	<u>66</u>	<u>205</u>
Net book values				
At 31 December 1999	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
At 31 December 1998	<u>10</u>	<u>18</u>	<u>5</u>	<u>33</u>

There were no commitments for capital expenditure at 31 December 1999 (1998: Nil).

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

	1999 £'000	1998 £'000
<b>8 Debtors</b>		
Grant income	44	44
Sundry debtors	18	-
Prepayments and accrued income	26	7
	<u>88</u>	<u>51</u>
 <b>9 Creditors: Amounts Falling Due Within One Year</b>		
Taxation and social security	-	27
Accruals	63	42
Sundry creditors	33	114
	<u>96</u>	<u>183</u>
 <b>10 Maintenance Provision</b>		
Balance 1 January 1999	10	10
Expended during the year	10	-
Balance 31 December 1999	<u>-</u>	<u>10</u>

#### **11 Operating Leases**

The charitable company's office premises are held under a ten year operating lease (with a five year break clause), which expires in the year 2005. The annual commitment is £105,750.

The charitable company holds the following operating leases for equipment:

<u>Equipment</u>	<u>Term</u>	<u>Expiry Date</u>	<u>Total Annual Commitment</u> £'000
Franking machine	5 Years	Dec 2002	3
Photocopier	3 Years	Sept 2001	2

## INTERNATIONAL ALERT

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

#### 12 Analysis Of Net Assets Between Funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fixed assets	2	-	2
Current assets	285	182	467
Creditors	(96)	-	(96)
Total net assets	191	182	373

#### 13 Movement On Funds

The overall movement on the funds of the charitable company is shown below. The restricted funds of the charity comprise unexpended balances of grants held on trust to be applied for specific purposes. Negative figures arise where commitments have yet to be received for projects which have already commenced.

	At 1 January 1999 £'000	Transfer to FEWER £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers Between Funds £'000	At 31 December 1999 £'000
<i>Restricted Funds</i>						
M Ennals Fund	19	-	-	(19)	-	-
Great Lakes	240	-	655	(843)	-	52
Sierra Leone	3	-	-	-	-	3
West Africa	36	-	88	(128)	27	23
Eurasia	14	-	123	(170)	7	(26)
Advocacy	55	-	454	(385)	2	126
FEWER	(38)	38	-	-	-	-
Sri Lanka	-	-	44	(50)	6	-
Implementation of Evaluation	(3)	-	-	(8)	11	-
Rapid Response	29	-	4	-	(29)	4
Gender Modules	4	-	-	(5)	1	-
Corporate	1	-	29	(44)	14	-
Colombia	-	-	26	(27)	1	-
	360	38	1423	(1679)	40	182
<i>Unrestricted Funds</i>						
General Fund	178	-	836	(783)	(40)	191
<i>Total Funds</i>	538	38	2,259	(2,462)	-	373

The transfer to FEWER arose when FEWER, a restricted project in 1998, became a separate legal entity at the beginning of the financial year.

## **INTERNATIONAL ALERT**

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999**

#### **14 Trustees' Remuneration**

The Trustees received no remuneration in 1999 (1998 - £ Nil). Costs of travel, accommodation and related expenses reimbursed to eleven Trustees (1998: twelve) amounted to £16,171 (1998: £17,942). During 1999 there were eleven Trustees coming from the United Kingdom, Norway, Sweden, The Netherlands, Ghana and the United States of America. The full Board met three times and the Management Advisory Committee met four times.

#### **15 Trustees Indemnity Insurance**

A sum of £171 (1998 - £ Nil) was paid in the year in respect of trustee indemnity insurance. The cover commenced in December 1999, with an annual premium of £2,074.